FIFTY-FOURTH REPORT

STANDING COMMITTEE ON FINANCE
(2011-2012)

(FIFTEENTH LOK SABHA)

MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION

DEMANDS FOR GRANTS
(2012-2013)

Presented to Lok Sabha on 24.04.2012
Laid in Rajya Sabha on 24.04.2012

LOK SABHA SECRETARIAT
NEW DELHI

April, 2012/*Vaisakha,* 1934 (*Saka*)

C.O.F. No. 54

Price : Rs. 46.00

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Fourteenth Edition) and printed by Jainco Art India, New Delhi.

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COMPOSITION OF THE STANDING COMMITTEE ON FINANCE (2011-2012)

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* Ceased to be the Member of the Committee consequent upon their retirement from Rajya Sabha *w.e.f.* 2 April, 2012.

INTRODUCTION

I, the Chairman of the Standing Committee on Finance, having been authorized by the Committee, present this Fifty-fourth Report (15th Lok Sabha) on the 'Demands for Grants (2012-13)' of the Ministry of Statistics and Programme Implementation.

2. The Demands for Grants (2012-13) of the Ministry of Statistics and Programme Implementation were laid on the Table of the House on 22 March, 2012. Under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee took oral evidence of the representatives of the Ministry of Statistics and Programme Implementation on 28 March, 2012.

4. The Committee considered and adopted this Report at their sitting held on 20 April, 2012. Minutes of the sittings of the Committee are given in appendix to the Report.

5. The Committee wish to express their thanks to the representatives of the Ministry of Statistics and Programme Implementation for appearing before the Committee and furnishing the material and information which the Committee desired in connection with the examination of the Demands for Grants (2012-13).

NEW DELHI;
20 *April*, 2012
31 *Chaitra*, 1934 *(Saka)*

YASHWANT SINHA,
Chairman,
Standing Committee on Finance.

REPORT

Part I

I. BUDGETARY ALLOCATION

The Ministry of Statistics and Programme Implementation came into existence as an independent Ministry on 15.10.1999 after the merger of the Department of Statistics and the Department of Programme Implementation. The Ministry has two wings, one relating to Statistics and the other Programme Implementation. The Statistics Wing re-designated as National Statistical Organisation (NSO) consists of the Central Statistical Office (CSO), the Computer Centre and the National Sample Survey Office (NSSO).

Items of work under the Statistics Wing (NSO) are as follows:

- Acting as the nodal agency for planned development of the statistical system in the country.
- Co-ordination of statistical work with a view to identifying gaps in data availability or duplication of statistical work in respect of Departments of the Government of India and State Statistical Bureaus (SSBs) and to suggest necessary remedial measures.
- Laying down and maintenance of norms and standards in the field of statistics, involving concepts and definitions, methodology of data collection, processing of data and dissemination of results.
- Advising the Departments of the Government of India on statistical methodology and on statistical analysis of data.
- Preparation of national and regional accounts as well as publication of annual estimates of national product. Government and private firm consumption expenditure, capital formation, saving, estimates of capital stock and consumption of fixed capital as also State level gross capital formation of supra-regional sectors and to prepare comparable estimates of State Domestic Product (SDP) at current prices.
- Compilation and release of the Index of Industrial Production (IIP) every month in the form of 'quick

estimates', conducting of Annual Survey of Industries (ASI) and providing statistical information to assess and evaluate the changes in growth, composition and structure of the organised manufacturing sector.

- Organisation and conduct of periodic all-India Economic Census and follow-up sample surveys.
- Conducting large scale all-India surveys for creating data base needed for studying the impact of specific problems for the benefit of different population groups in diverse socio-economic areas such as employment, consumer expenditure, housing conditions and environment, literacy levels, health, nutrition, family welfare etc.
- Examination of the survey reports from technical angle and evaluation of appropriate sampling design including survey feasibility studies/techno-analytical studies in respect of surveys conducted by the National Sample Survey Organisation (NSSO) and other Central Ministries and Departments.
- Providing an in-house facility to process the data collected through various socio-economic surveys and follow-up surveys of Economic Censuses conducted by the National Sample Survey Organisation and the Central Statistical Organisation.
- Dissemination of statistical information on various aspects through a number of regular or *ad-hoc* publications to Government, semi-Government or private data user/agencies and dissemination of data, on request, to United Nations Agencies like Economic and Social Commission for Asia and the Pacific, International Labour Organisation and other relevant international agencies.
- Releasing grants-in-aid to registered non-governmental organisations and research institutions of repute for undertaking special studies or surveys, printing of statistical reports and to finance seminars, workshops or conferences in the field of official statistics.
- Functioning as the Cadre Controlling Authority and to deal with the centralised aspects of managing the Indian Statistical Service including all matters pertaining to training, career and manpower planning.
- Acting as the nodal Department for the Indian Statistical Institute and ensuring its functioning in accordance with the provisions of the Indian Statistical Institute Act, 1959 (57 of 1959).

1.2 The Programme Implementation Wing has three Divisions, namely, (i) Twenty Point Programme (ii) Infrastructure Monitoring and Project Monitoring and (iii) Member of Parliament Local Area Development Scheme.

Items of work under the Programme Implementation Wing are as follows:

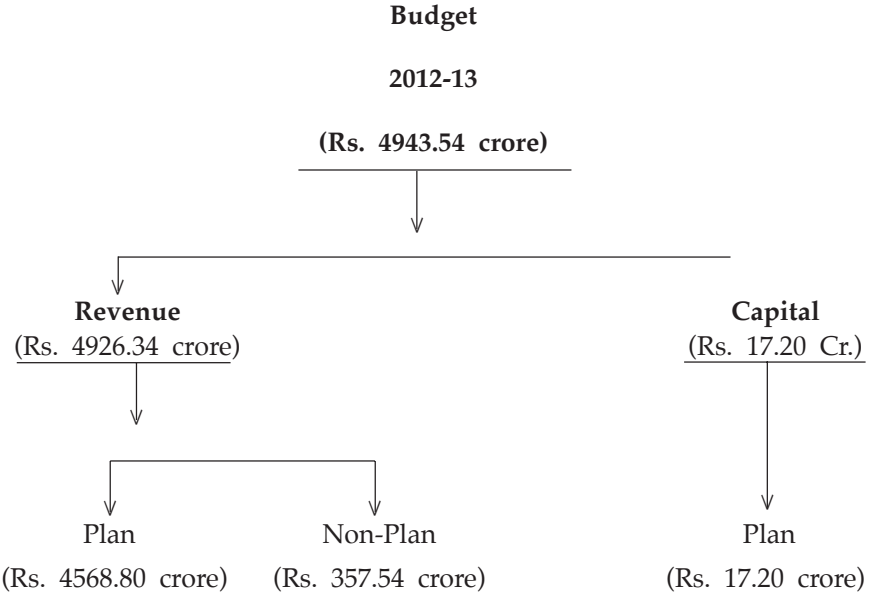
- The 20 Point Programme Division monitors the progress on the implementation of TPP – 86 and evaluates the progress at macro level. The Management Information System developed by the Division consists of Monthly Progress Report (MPR) and Half Yearly Progress Report (HYPR). The MPR covers achievements during each month against pre-set physical targets of carefully selected 20 items which have a direct and crucial bearing on the life and standard of living of the deprived and under privileged classes and those of living below the poverty line. The HYPR on all items indicates both the qualitative and quantitative aspects of performance in implementation of the programme which is aimed at elimination of poverty and improving the quality of life of the people, specially the under privileged and below the poverty line.
- The Infrastructure and Project Monitoring Division (IPMD) monitors and facilitates the implementation of the projects costing Rs. 150 crores and above in the Central Sector. The important activities of this Division include: bringing out periodical reports, review notes, remedial measures and facilitating solution for problems of the projects; the division assists (i) the public investment board by providing critical appraisal of the state of preparedness of projects, (ii) Committee of Secretaries by apprising the COS of the constraints and implementation and action taken or initiated by various agencies on its directions and (iii) Cabinet Committee on Infrastructure etc.
- The IPMD also collects relevant statistics of production and productivity from concerned Ministries/Department and compiles and analyses the information in the form of Monthly Progress Reports. This Division is entrusted with the monitoring of performance of the country's 11-key infrastructure sectors, namely, power, coal, steel, railways, telecommunication, ports, fertilisers, cement, petroleum and natural gas, roads and civil aviation. The performance of

these sectors are analysed with reference to the targets for the month/period for submission and intimated to the Prime Minister's office and the Cabinet Secretariat.

- The MP local Area Development Scheme Division was created during 1994. The Programme Implementation Wing of the Ministry of Statistics and Programme Implementation is responsible for the implementation and monitoring of the MP Local Area Development Scheme. However, MPLADS is under the purview of another Parliamentary Committee.

BUDGET 2012–2013

1.3 The Demands for Grants under Demand No. 91 for the Ministry of Statistics and Programme Implementation includes a budget proposal of Rs. 4943.54 crore for the year 2012-13. The demand under Revenue is Rs. 4926.34 crore and under Capital is Rs. 17.20 crore. The Ministry proposes to undertake eight Plan Schemes with an estimated outlay of Rs. 4568.80 crore under Plan Revenue and Rs. 17.20 crore under Plan Capital.



NON-PLAN 2012-13

1.4 The Ministry's Non-Plan budget of Rs. 357.54 crore in 2012-13 is primarily salary oriented as the primary function of the Statistics Wing (NSO) is conduct of surveys, collection, analysis and dissemination of data, which is a staff intensive function. The major

components of the Non-Plan budget for the Ministry of Statistics and Programme Implementation during 2012-2013 are given below:

Object Head	Budget	% of total Non-Plan Budget
Salaries	Rs. 225.97 crore	63.20%
Domestic Travels	Rs. 6.83 crore	1.91%
Foreign Travel	Rs. .15 crore	0.04%
Office Expenses	Rs. 6.71 crore	1.88%
Rent Rates & Taxes	Rs. 1.49 crore	0.42%
Publications	Rs. .45 crore	0.13%
OAE	Rs. .46 crore	0.13%
Grants-in-aid to ISI, Kolkata	Rs. 110.00 crore	30.77%

1.5 The Indian Statistical Institute (ISI) is engaged in integrated programme of research, training and practical application of statistics in different disciplines through a large number of projects. By an Act of Parliament, known as the ISI Act (No. 57) of 1959, the Institute was declared as an 'Institute of National Importance' and was conferred with the right to hold examinations and grant degrees and diplomas in statistics and allied disciplines. By the 'Indian Statistical Institute (Amendment) Act 1995', the Institute has also been empowered to conduct courses, besides statistics, in Mathematics, Quantitative Economics, Computer Science and other subjects related to Statistics. Grants-in-aid to ISI are released on the basis of the recommendations of a Statutory Committee set up under Section 8(1) of the ISI Act. From the budget of the Ministry, an amount of Rs. 11000.00 lakh has been kept as grants-in-aid to the Institute, as Non-Plan allocation during 2012-13.

National Statistical Commission Non-Plan budget for the year 2012-13 has been kept at Rs. 1.42 crore.

Trend of Non-Plan expenditure indicates an increase in expenditure from Rs. 340.30 crore in 2011-12 (RE) to Rs. 357.54 crore (BE) during 2012-13 indicating an increase of 5.07%.

PLAN 2012-13

1.6 The Plan budget proposal in 2012-13 is Rs. 4586.00 crore to be spent on MPLAD Scheme and other Plan Schemes. MPLAD Scheme

has a budget provision of Rs. 3955.00 crore which is 86.24% of total Plan outlay of Ministry. Out of Rs. 631.00 crore for other Plan Schemes, the major components of expenditure are as follows:—

Object Head	Budget	% of total Plan Budget of Rs. 631 Cr.
Salaries	Rs. 6.56 crore	1.04%
Domestic Travels	Rs. 8.97 crore	1.42%
Foreign Travels	Rs. 1.42 crore	0.23%
Office Expenses	Rs. 22.81 crore	3.61%
Publications	Rs. 13.72 crore	2.17%
Other Admn. Expenses	Rs. 25.17 crore	3.99%
Advertising & Publicity	Rs. 31.13 crore	4.93%
Professional Services	Rs. 47.76 crore	7.57%
Grants-in-aid (excluding NER and MPLADS but includes ISI)	Rs. 378.05 crore	59.91%
Information Technology	Rs.10.77 crore	1.71%
Machinery & Equipment	Rs. 120.00 lakh	0.19%
Major Works	Rs. 16.00 crore	2.54%
Lump sum provision for NE States	Rs. 64.67 crore	10.25%

1.7 Grants-in-aid: The proposed outlay under grants-in-aid during 2012-13 is Rs. 4397.73 crore which includes (i) Rs. 3955.00 crore for MPLAD Scheme, (ii) Rs. 42.00 crore for ISI Kolkata for its Plan Schemes, (iii) Rs. 198.00 crore for India Statistical Strengthening Project, (iv) Rs. 9.36 crore for Basic Statistics for Local Level Development (Rs. 9.00 crore each for States and 0.36 crore for UTs), (v) Rs. 11.97 crore for – Capacity Development, and (vi) Rs. 181.40 crore for Economic Census.

1.8 On the basis of the instructions on Zero Based Budgeting, the Plan Schemes of the XIth Plan have been formulated by amalgamation/modifying/dropping the Plan Schemes of the Xth Plan.

1.9 The Member of Parliament Local Area Development Scheme (MPLADS) is in operation since 23rd December, 1993. Under this scheme, *w.e.f.* the financial year 2011-12, the Members of Parliament

(LS&RS both) have a choice to suggest to the concerned District Collectors(s) works of capital nature to the tune of Rs. 5 crore per year to be taken up in their respective constituencies/States for creation of durable assets based on locally felt needs. The amount is released by MPLAD Division in two installments every year. Since funds under the scheme are non-lapsable, funds earmarked for a financial year, if not released during a particular year, are carried forward to the next financial year(s). The District Authorities execute development works on the recommendation of Member of Parliament in accordance with the extant guidelines prescribed by the Government.

1.10 Under the scheme of MPLADS, which was launched in the middle of the 8 th Five Year Plan, an aggregate amount of Rs. 24,825.25 crores have been released by the Government of India till 20.03.2012. During the same period, the District Authorities are reported to have issued the sanctions for different items of work costing Rs. 24,279.51 crores and against this, the expenditure has been Rs. 22,108.19 crores has been released. During the current year 2011-12, up to 20.03.2012, an amount of Rs. 2,334.67 crores has been released.

MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION

Statement showing BE, RE and Actuals for 2009-10, 2010-11, 2011-12 and BE for 2012-13

(Total Plan and Total Non plan)

(Rs. in crore)

	2009-10			2010-11			2011-12			2012-13
	BE	RE	Actual	BE	RE	Actual	BE	RE	Expected expenditure	BE
1	2	3	4	5	6	7	8	9	10	11
Non-Plan (Total MOSPI) (%ge change)	306.27	337.86	342.78	300.35 -(1.9%)	326.70 -(3.3%)	329.71 -(3.8%)	347.36 (15.7%)	340.30 (4.2%)	340.29 (3.2%)	357.54 (2.9%)
Plan (Without MPLADS) (%ge change)	229.00	94.00	85.40	268.00 (17.0%)	123.00 (30.9%)	119.03 (39.4%)	600.00 (123.9%)	458.00 (272.4%)	276.36 (132.2%)	631.00 (5.2%)
TOTAL (Plan+NP) without MPLADS (%ge change)	**535.27**	**431.86**	**428.18**	**568.35 (6.2%)**	**449.70 (4.1%)**	**448.74 (4.8%)**	**947.36 (66.7%)**	**798.30 (77.5%)**	**616.65 (37.4%)**	**988.54 (4.3%)**

1	2	3	4	5	6	7	8	9	10	11
MPLADS (%ge change)	1580.00	1580.00	1531.50	1580.00 (0.0%)	1700.00 (7.6%)	1533.31 (0.1%)	1580.00 (0.0%)	2950.00 (73.5%)	2507.68 (63.5%)	3955.00 (150.03%)
TOTAL Plan (including MPLADS) %ge change)	1809.00	1674.00	1616.90	1848.00 (2.2%)	1823.00 (8.9%)	1652.34 (2.2%)	2180.00 (18.0%)	3408.00 (86.9%)	2784.04 (68.5%)	4586.00 (110.04%)
G. TOTAL MOSPI (Plan + NP) (%ge change)	2115.27	2011.86	1959.68	214,8.35 (1.6%)	2149.70 (6.9%)	1982.06 (1.1%)	2527.36 (17.6%)	3748.30 (74.4%)	3124.33 (57.6%)	4943.54 (95.6%)

MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION

Plan Scheme-wise allocation of BE, RE & Actual Expenditure 2009-10, 2010-11, 2011-12 and 2012-13

(Plan Schemes only)

(Rs. in crore)

Sl. No.	Name of the Plan Scheme	11th Plan	2009-10	2010-11			2011-12			2012-13
		Outlay (2007-12) (Rs. Crore)	Actual Expend-iture	BE	RE	Actual Expend-iture	BE	RE	Expected Expend-iture	BE
1	2	3	4	5	6	7	8	9	10	11
Centrally Sponsored Schemes (1+2):										
1.	Basic Statistics for Local Level Development	*	.09	15.00	3.00	2.83	12.00	11.50	10.42	10.00
2.	India Statistical Strengthening Project (Modernisation of Statistical System in India)	*	-	100.00	15.00	14.52	200.00	128.00	114.02	200.00
Central Sector Schemes (3 to 8):										
3.	Capacity Development	3.44	51.21	68.00	65.30	62.48	120.00	130.50	108.66	147.00

1	2	3	4	5	6	7	8	9	10	11
4.	Sixth Economic Census	.91	-	50.00	.01	.008	220.00	135.00	16.42	220.00
	Total CSO without CC (1 to 4)*	4.35	51.31	233.00	83.31	79.83	552.00	405.00	249.54	577.00
5.	Strengthening of Computer Centre	.20	1.52	2.10	1.00	.71	2.00	2.00	1.99	2.00
6.	Grant in aid to ISI, Kolkata	1.20	30.00	28.00	36.00	36.00	40.00	40.00	20.00	42.00
P.I. Wing										
7.	Strengthening, Monitoring and Evaluation for Projects & Programmes	.18	2.55	4.90	2.69	2.48	6.00	11.00	4.82	10.00
	Total MOSPI (without MPLADS)	594.00	85.40	268.00	123.00	119.03	600.00	458.00	276.36	631.00
8.	MPLADS		1531.50	1580.00	1700.00	1533.31	1580.00	2950.00	2507.68	3955.00
	Grand Plan Total (MOSPI)	5.94	1616.90	1848.00	1823.00	1652.34	2180.00	3408.00	2784.04	4586.00

1.11 While taking evidence of the Ministry of Statistics and Programme Implementation in connection with examination of the Demands for Grants (2012-13), the Committee pointed out that, *as per Summary and Analysis of DFG (2012-2013) page No. 9, Annex. II furnished to the Committee by the Ministry,* the total actual expenditure (Plan + Non-Plan) without MPLADS, of the Ministry for the year 2009-10 is **Rs. 428.18. crore** against Budget Estimates (BE) of **Rs. 535.27 crore;** for the year 2010-11, **Rs. 448.74 crore** as against BE of **Rs. 568.35 crore;** and for the year 2011-12, **Rs. 616.65 crore** as against BE of **Rs. 947.36 crore.** The Ministry were asked the reasons for the consistent occurrence of under-utilisation of Budget allocation in the Ministry year after year and that whether the Ministry has taken serious cognizance of frequent mismatch between Budget Estimates and actual expenditure so as to take remedial steps in this regard, the Ministry in their post evidence reply, *inter alia*, furnished the following written submission as stated below:

"Reasons for under utilization of funds in comparison to BE 2011-12 and action being taken to improve utilization.

The statement showing the BE, RE and expenditure during 2010-11 and 2011-12 is given as under:

Sl. No.	Name of the Plan Scheme	11th Plan Appr. Outlay	2010-11			2011-12		
			BE	RE	Actual Exp.	BE	RE	Expected Exp.
A. Centrally Sponsored Scheme								
1.	Basic Statistics for Local Level Development (BSLLD)	5.00	15.00	3.00	2.83	12.00	11.50	10.43
2.	India Statistical Strengthening Project	1.00	100.00	15.00	14.52	200.00	128.00	114.03
	Total A	6.00	115.00	18.00	17.35	212.00	139.50	124.46
3.	Capacity Development	344.50	68.00	65.30	63.48	120.00	130.50	108.66
4.	Strengthening of Computer Centre	20.00	2.10	1.00	0.71	2.00	2.00	1.99
5.	Economic Census	91.00	50.00	0.01	0	220.00	135.00	16.42
6.	Grant-in-aid to ISI Kolkata	120.00	28.00	36.00	36.00	40.00	40.00	20.00
7.	Strengthening, Monitoring and Evaluation for Project & Programme	18.50	4.90	2.69	2.48	6.00	11.00	4.83
	Total B	594.00	153.00	105.00	102.67	388.00	318.50	151.90
	Total (A+B)	600.00	268.00	123.00	120.02	600.00	458.00	276.36
	MPLAD Scheme	7900.00	1580	1700	1533.32	1580	2950	2507.68
	Grand Total	8500.00	1848	1823	1653.34	2180	3408	2784.04

Reasons for shortfall in expenditure during 2011-12:

The major shortfall is on account of—

(i) Economic Census: Postponement of field work of 6th Economic Census from April-November, 2012 to during Sept./Oct., 2012—February-March, 2013, to avoid overlapping with Socio Economic and Caste Census (SECC).

(ii) ISSP Scheme: Delay in submission of implementation reports affecting the release of funds. Uncertainties about availability of required additional funds for the scheme during 12th Plan restricted consideration of States' proposals.

Other reasons include

(iii) Capacity Development: Shortfall in Major Works and on account of the OECD Conference.

(iv) BSLLD Scheme: Delay in completion of first phase of work."

II. MANPOWER SHORTAGE

2.1 The Ministry of Statistics and Programme Implementation in their Outcome Budget 2012-13 has stated that the Ministry proposed to take up a number of new initiatives during the year 2011-12; however, their success requires overcoming many constraints. They further submitted that there are about 1200 vacancies in Subordinate Statistical Service (1150 vacancies in FOD and 50 vacancies in Non-FOD as on 1.2.2012) and that:

"In the absence of regular field staff as per requirements the sample surveys to be undertaken by NSSO will have to be conducted through Contract Employees, which may affect the quality of data collected, similarly, the National Academy of Statistical Administration (NASA), though physically ready, is facing problem of qualified Faculty. Taking up of all the programmes envisaged for the NASA will depend upon the availability of qualified and competent Faculty. The implementation of the prestigious scheme of "India Statistical Strengthening Project", which will be driven by the States/UTs, will also depend upon the availability of qualified manpower with States/UTs, as they are also facing the same problem of manpower shortage. Drafting of State Strategic Statistical Plans by States would also depend upon availability of competent Consultants for the job. The implementation of the scheme "Basic Statistics for Local Level Development", which has been drafted with the objective of developing the decentralized

data base at village/block level for local level planning in all the States, may also face similar constraints. Although the Pilot Survey to identify the data sources for compiling basic statistics for local level development and to check the efficacy of the survey instruments has been completed, the implementation of the main scheme would depend upon the extent to which the Panchayati Raj Institutions (PRIs) are able to organize the continuing data collection."

2.2 On the issue of manpower shortage, the Ministry of Statistics and Programme Implementation, in their Outcome Budget 2011-12, has stated that:

"… there are about 26% vacancies in Indian Statistical Service and Subordinate Statistical Service. In the absence of regular field staff as per requirement, the sample surveys to be undertaken by NSSO will have to be conducted through Contract Employees, which may affect the quality of data collected. Similarly, the National Academy of Statistical Administration (NASA), though physically ready, is facing problem of qualified Faculty. The implementation of the scheme, 'India Statistical Strengthening Project', which will be driven by the States/UTs, will also depend upon the availability of qualified manpower with States/UTs, as they are also facing the same problem of manpower shortage. Drafting of State Strategic Statistical Plans by States would also depend upon availability of competent Consultants for the job. The implementation of the scheme 'Basic Statistics for Local Level Development', which has been drafted with the objective of developing the decentralized data base at village/block level for local level planning in all the States, may also face similar constraints. Although the Pilot Survey to identify the data sources for compiling basic statistics for local level development and to check the efficacy of the survey instruments has been completed, the implementation of the main scheme would depend upon the extent to which the Panchayati Raj Institutions (PRIs) are able to organize the continuing data collection."

2.3 In respect of addressing manpower shortage the Standing Committee on Finance in their 36th Report on the Demands for Grants (2011-12) of the Ministry of Statistics and Programme Implementation had made the following observations/recommendations as stated below:

"...Shortage of manpower has been affecting the quality of data collected by National Sample Survey Organisation (NSSO) and National Academy of Statistical Administration (NASA) besides

adversely affecting the functioning of prestigious schemes of the Ministry. The Committee are given to understand that the vacancies in Indian Statistical Service (ISS) are mainly dependent on promotion which is within the purview of the Ministry. …...the Committee expect that suitable action will be taken expeditiously for filling up the vacant promotional posts so as to address the problem of shortage of manpower. ….

The Committee have noted that large attrition rate due to lack of promotional avenues and lower grade are major reasons for shortage of manpower. The Committee want that the matter relating to the revision of grade pay for certain posts should be pursued with the Ministry of Finance for an early decision so as to check the attrition rate thereby overcoming the shortage of manpower."

2.4 The Ministry informed that about 500 candidates per year under the Strategic Action Plan were proposed to be filled up in the Subordinate Statistical Service till all the vacancies in the Cadre are filled. Furthermore, in the post evidence reply furnished to the Committee in connection with examination of the Demands for Grants (2012-13) of the Ministry, the following written submission are made as stated below:

"The vacancies in ISS are primarily because the UPSC has not been able to meet the indent for direct recruits for ISS. To overcome the situation, the indent this year is 44, while 64 probationers are under training…

In SSS, the vacancies are high mainly because of high rate of resignation ……. promotion on *ad hoc* basis is being done from Subordinate Statistical Service to ISS. …… The request of this Ministry for higher grade pay to its investigators has not been agreed to by the D/o Expenditure. However, the Ministry is proposing the. …… Ministry has placed an indent of 663 for the 2011 examination and 700 for 2012 examination on SSC. It will go a long way in reducing the manpower shortage."

III. NATIONAL STATISTICAL COMMISSION

3.1 The Government of India through a resolution dated 1st June, 2005 decided to set up the National Statistical Commission (NSC). The setting up of the NSC followed the decision of the Cabinet to accept the recommendation of the Rangarajan Commission, which reviewed the Indian Statistical System in 2001. The National Statistical Commission (NSC) was initially constituted *w.e.f.* 12th July 2006 to

serve as a nodal and empowered body for all core statistical activities of the country, to evolve, monitor and enforce statistical priorities and standards and to ensure statistical coordination. The NSC has one part-time Chairman and four part-time Members, each having specialization and experience in specified statistical fields. Besides, Secretary, Planning Commission is an *ex-officio* Member of the Commission. The chief Statistician of India is the Secretary to the Commission.

The part-time Chairman/Members of the Commission at present are as follows:

(i) Prof. R. Radhakrishana, Chairman

(ii) Shri Suman K. Bery, Member

(iii) Prof. Anil P. Gore, Member

(iv) Prof. Shibdas Bandyopadhyay, Member

(v) Dr. Sudipto Mundle, Member

3.2 It was submitted that:

"The functions of the NSC are laid down in the Government of India Resolution No. 85 dated 1st June 2005 published in the Gazette of India Extra Ordinary Part-III Section 4. The Resolution provides for submission of Annual Report on its activities by the Commission for each financial year and its laying before the Parliament or concerned State Legislatures, as the case may be, along with memorandum of action taken on the recommendations therein.

A separate report on the working of the Commission would accordingly be laid before the Parliament. In the Action Taken Report on the recommendations of the National Statistical Commission furnished by the Ministry of Statistics and Programme Implementation that 'NSC had directly taken over the role of the Governing Council of NSSO' as per the recommendation of the Commission."

3.3 While tendering evidence before the Committee on 28.4.2012, representatives of the Ministry were asked the reasons why part-time Chairman and part-time Members are made to constitute the NSC. They were also asked to state the tenability of running/operating the functions of NSC with part-time Chairman and part-time Members. The Ministry in their post evidence reply *inter alia* made the following written submission:

"The decision to have the Chairman and Members of the National Statistical Commission (NSC) on a part-time basis was based on

the recommendations of the Rangarajan Commission. The relevant para from the report is reproduced below:

"14.5.9 The NSC will have a Chairman and four Expert Members. Since the NSC would be primarily a policy-making body working through a number of technical committees and should not be involved in routine administration, given the function of the NSC and the time that the Chairman and members are expected to devote to them, the Chairman and the members should be appointed on a part-time basis. The tenure of both would be 3 years. For administrative purposes, the status of the members should be at least that of Secretary to the Government of India."

3.4 On the issue of conferring statutory status to NSC and other matters related to NSC, the Committee in their 36th Report on the Demands for Grants (2011-12) made the following observations/ recommendations as stated below:

"The Committee note that with regard to conferring statutory status to the National Statistical Commission, the Commission appointed a Committee on 8th November 2010, under the Chairmanship of Prof. M.R. Madhava Menon to look into legislative measures on statistical matters, including a Bill to provide statutory status to the Commission……The Committee reiterate that conferring statutory status would enable the National Statistical Commission to function in an independent manner for strengthening the statistical system in the country. The Committee hope that the (Menon) Committee would submit their report…. within six months and the related Bill is brought before Parliament accordingly.

The Committee note that the National Statistical Commission under the Chairmanship of Dr. C. Rangarajan has made 623 recommendations covering 11 sectors of the economy. 261 recommendations have been implemented and the remaining 362 recommendations are being processed by the various implementing agencies. The Committee desire that the remaining 362 recommendations should be implemented by the concerned implementing agencies in a time bound manner and the Committee, which has been constituted under the Chairmanship of Dr. Sudipto Mundle, Member, NSC should monitor the progress of implementation of remaining 362 recommendations on priority basis for their implementation.

The Committee note that with regard to the process of identifying core statistics, a statement indicating the views of different Central Ministries/Departments and a suggestive list of core statistics were

placed before the National Statistics Commission in its 39th meeting held in December, 2010……. The Committee desire that Government should expedite the preparation of the concept paper and list of core statistics as per the suggestions of the Commission so that the list of core statistics is notified and the Commission could present without any further delay."

IV. CENTRAL STATISTICS OFFICE — Consumer Price Index

4.1 The Central Statistics Office (CSO), an attached office of the Ministry, coordinates the statistical activities in the country and evolves statistical standards. Its activities *inter alia* include compilation of National Accounts, Index of Industrial Production, **Consumer Price Indices** for Urban Non-Manual Employees, Human Development Statistics including Gender Statistics, conduct of Annual Survey of Industries and Economic Census and imparting of training in Official Statistics. The CSO also assists in the development of statistics in the States and Union Territories and disseminates Energy Statistics, Social and Environment Statistics and prepares the National Industrial Classification.

4.2 On the issue of Consumer Price Index it has been stated in the Annual Report (2011-12) of the Ministry as under:

"CPI numbers on base 2010 = 100 separately for rural and urban population for all States/UTs and also at all India level are being released every month with effect from January 2011. This CPI series is based on the consumption pattern derived from the results of the NSS 61st round Consumer Expenditure Survey (2004-05). CPI (Combined) by merging CPI (Rural) and CPI (Urban) with appropriate weights are also released every month."

Monthly price data are collected from 310 towns by the Field Operations Division of NSSO and the specified State/UT Directorates of Economics and Statistics and from 1181 villages by the Department of Posts.

Month	CPI		
	Rural	Urban	Combined
1	2	3	4
January 2011	107.1	104.2	105.9
February 2011	106.5	103.7	105.3

1	2	3	4
March 2011	106.9	103.9	105.6
April 2011	107.5	104.5	106.2
May 2011	108.7	105	107.1
June 2011	109.9	107.3	108.8
July 2011	111.7	108.9	110.5
August 2011	113.1	109.9	111.7
September 2011	114.4	111.1	113.0
October 2011(P)	115.8	112.0	114.2
November 2011(P)	115.9	112.5	114.4

4.3 In this regard, it may be recalled that during examination of the Demands for Grants 2010-11 the Committee made the following observation/recommendation in the 14th Report (15th Lok Sabha) as stated under:

> "The Committee had, in their 4th Report on Demands for Grants (2009-10) of the Ministry, as well as the 6th Report on Inflation and Price Rise, *inter alia* recommended expediting the work of compilation of new series of nation wide Consumer Price Index for urban and rural areas, which, as perceived by the Rangarajan Commission (NSC; 2001) would be a prelude in formulating a national Consumer Price Index (CPI). As per the current submission of the Ministry, releasing the new series of CPI (Rural) and CPI (Urban) with a revised base year, which has been in the anvil since long is now expected by February, 2011. The Committee expect that the Ministry would spare no effort in completing this long delayed work of bringing out the new series of price indices as per the schedule now indicated. The Committee also desire to be kept apprised of the progress made in this direction.
>
> The Committee also find that the proposal made in their Sixth report for entrusting the work of coordinating and releasing various price indices to a single nodal agency has found favour by the Ministry. The Committee desire that the proposal of having a single agency for compilation and releasing of various price indices (consumer and wholesale) with standardized parameters be pursued further in consultation with the National Statistical Commission. The Committee desire to be apprised of the steps taken in this direction."

4.4 Subsequent to the above observation/recommendation of the Committee, the Ministry furnished the following written submission in their action taken note as stated below:

> "As recommended by the Standing Committee on Finance the issue was referred to National Statistical Commission (NSC). The Commission has informed that it has been decided to constitute a Committee under the Chairmanship of one of its Members to examine the issue of institutional arrangements for collection of prices, compilation and dissemination of Wholesale and Consumer Price Indices and integration of data collection machinery. The Committee has started its functioning."

4.5 As per the Annual Report (2011-12) of the Ministry, the Central Statistic Office (CSO) has introduced monthly CPI (Rural), CPI (Urban) and CPI (Combined) on base 2010 = 100 at State/UT and all India levels with effect from January, 2011 to depict the price behaviour of various services consumed by the rural and urban population. It was submitted also that annual inflation rates based on this broad based CPI services would be available along with January 2012 indices (Annual report, Para 2.3, page 4).

4.6 On being asked whether the indices (CPI) prepared and released by CSO have been utilized and solely relied upon by other Ministries such as Ministry of Planning, Finance, Rural Development etc. and also that whether annual inflation rates based on broad based CPI series were brought out by CSO in January, 2012 as stated above, the Ministry *inter alia* the following reply as stated below:

> "The CSO brought out annual inflation rates based on CPI (Rural/Urban/Combined) for January 2012 on 21.02.2012. All India annual inflation rates (final) for rural, urban and combined for January, 2012 are 7.28%, 8.25% and 7.65% respectively. The corresponding provisional inflation rates of rural, urban and combined for February, 2012 are 8.36%, 9.45% and 8.83% respectively.
>
> Since the inflation rates are available from January, 2012, it is expected that other Ministries may start using these numbers once indices for a longer period become available. The latest Economic Survey 2011-12 of the Ministry of Finance examined month-over–month annualized inflation using CPI (Rural/Urban/Combined). The Reserve Bank of India in its Mid-Quarter Monetary Policy Review: March, 2012 indicated the following:
>
> Notably, Consumer Price Index (CPI) inflation (as measured by the new series, base year 2010) for the month of January, 2012 was 7.7 per cent suggesting that price pressures persist at the retail level."

V. PROJECT MONITORING—TIME AND COST OVERRUNS

5.1 The Implementation Wing of the Ministry of Statistic and Programme Implementation is responsible for the monitoring of 11 key Infrastructure Sectors and monitoring of Central Sector Projects in 16 sectors costing more than Rs. 150 crores. (The threshold level for monitoring was revised w.e.f. April, 2010). The projects are monitored on monthly as well as on quarterly basis.

5.2 On the role of the Ministry in programme implementation and project monitoring/implementation, the Ministry *inter alia* made the following submission in their post-evidence reply as stated under:

> "The mandate of the Programme Implementation Wing of the Ministry is to document, compile and flag those infrastructure projects of the central sector which experience time and cost overruns, and send to the highest in the Government. Copies of our reports are also sent to the concerned administrative Ministries so as to enable them to take corrective action. …….. The necessary corrective action is to be taken by the concerned administrative Ministries themselves. ……
>
> It would be pertinent to point out here that no other organization/department in the Government is compiling at one place the status of implementation of all the infrastructure projects of the central sector, especially the crucial aspects of time and cost overruns and also the performance (output) of infrastructure sectors……
>
> The Government in the highest quarters regularly calls for information on the implementation of the infrastructure projects in a State from the Ministry whenever required.
>
> The contribution of the Ministry, has perhaps not received the appreciation it deserves. The enormous amount of focus, sensitization and discussion that has been brought in the Government on time and cost overruns in the projects is solely because of the efforts of this Ministry. ……
>
> The Ministry has also advised the Cabinet Secretariat to include points in the RFDs of the Infrastructure Ministries for completion of projects due for completion in the relevant year.
>
> The Ministry is also attempting to facilitate faster implementation of projects through identifying specific constraints faced by the project authorities and taking it up with the concerned/relevant

authorities. The various extraneous issues such as land acquisition, clearances, shifting of utilities, etc. are being taken up with the concerned State Governments through the mechanism of the CSPCCs.

The Ministry is also initiating the process for forming of an Inter-Ministerial Group (IMG) to resolve project related problems which are inter-sectoral in nature."

5.3 It has been stated in the Annual Report (2011-12) of the Ministry of Statistics and Programme Implementation as given below:

"Time and cost overruns have been a major problem affecting the implementation of central sector projects. Due to close monitoring and systems improvement brought out mainly by the Ministries concerned with the support of the Ministry of Statistics & Programme Implementation, the time overrun in projects is coming down resulting in reduction in the cost overrun of the projects. In this regard it was stated by the Ministry that an analysis of the trend in the last 16 years shows that the cost overrun has come down from 61.6% in March, 1991 to 19.97% in September, 2011 resulting in savings.

Time overrun, apart from upsetting the Plan targets, leads to cost overrun on account of inflationary increase, exchange rate variation and higher interest and administrative cost. Time overrun takes place due to factors such as paucity of financial resources, delay in obtaining clearances, delay in acquisition of land, poor performance of consultants, vendors and contractors, disputes and court cases, inadequate infrastructure support, resistance by land losers and poor law and order situation in certain parts of the country. Increases in the scope during construction, higher compensation for rehabilitation, higher cost incurred on environmental protection measures, judicial awards in contractual disputes are some of the reasons for cost overruns in projects."

5.4 On being asked to furnish updated details about projects over Rs. 150 crore having time overrun and cost overrun, the Ministry *inter alia* submitted the following as given below:

"As on 01.01.2012, as reported by the Project Authorities out of the 561 number of projects on the monitor of the Ministry (costing Rs. 150 crore and above), there are 95 projects which have both time and cost overrun. There are 96 projects which have only cost overrun and 157 projects which have only time overruns."

5.5 From the information/reply furnished by the Ministry on Project having time and cost overruns the Committee pointed out that the Udhampur-Srinagar-Baramulla (NL) NR project has 700% cost overrun and 201 months time overrun; Freight Operations Information System has 21.95% cost overrun and 204 months time overrun; Guna-Etawah (NCR), NL has 240.72% cost overrun and 213 months time overrun apart from many other projects having time/cost overruns. In this regard the Committee asked the Ministry as to how projects completion could be delayed or deferred for more than 200 months *i.e.* almost two decades as pointed out above; what the Ministry has suggested or decided to do about the above mentioned projects as of now and the steps being taken by the Ministry to prevent conceptualization of untenable projects in future. The Ministry in their reply, *inter alia* stated the following as below:

> "The Ministry has been actively taking up with the M/o Railways issues in the implementation of Railway Projects. Further, while examining Railway project proposals, the Ministry has been emphasizing on having firm dates of commissioning and executing projects as per time schedule, and providing adequate committed funds from year to year so that the projects are completed within the specified time limit and do not incur time and cost overrun.
>
> The Udhampur-Srinagar-Baramulla project has been badly delayed due to various factors such as very difficult terrain, lack of access to construction sites, adverse geology, difficult logistics, land acquisition, forest clearance, terrorist challenges, etc. However, the project is now picking up. About 95% physical progress has been achieved in the Udhampur-Katra section. The Qazigund-Baramulla section has been completed and commissioned. The Katra-Qazigund section is targeted to be completed by December, 2017.
>
> The Freight Operations Information System (FOIS) was scheduled to be commissioned by 2008. It is now anticipated to be commissioned by the end of March, 2012.
>
> With regard to the Bholangir-Khurda road new BG line had been delayed mainly due to land acquisition problem. With this background, this Ministry while examining the sanctioning of fresh Railway Projects had prepared discussion note for Expanded Board for Railways (EBR) meeting of 30.12.2011. In the meeting, Secretary (S&PI) drew the attention of the Board to the inordinate delays in the Railway projects and stressed on having firm dates of commissioning and committed funds for the 27 projects. ……. The Ministry has been following up with the Ministry of Railways in this regard.

The Ministry is also trying to facilitate the quicker implementation of delayed Railways Projects by taking up issues with the State Governments through the mechanism of CSPCC whenever delays are due to the lack of clearances by State Governments.."

5.6 In a reply furnished to the Committee as a post-informal discussion held during study tour of the Committee in January/ February, 2012, Southern Railway has submitted:

"Main cause for increase in the cost of construction are delay in acquisition of land for the projects and inadequate yearly allotment of funds for executing the projects……..The allotment from the ex-chequer to the railway projects is not adequate."

5.7 The Ministry were asked whether 'inadequate yearly allotment of funds for executing project' resulting in time and cost overruns is a peculiar problem faced by Railway projects only, the Ministry *inter alia* gave the following reply as stated under:

"The Ministry has been raising the issues with the Railways regarding non-fixing of firm dates of commissioning of railway projects and inordinate delay in their execution. The M/o Railways has been citing non-availability of committed funds/allocation as the reason for non-fixing of dates of commissioning and long delays in execution of their projects."

5.8 On being further asked whether the Ministry of Statistics and Programme Implementation have any solution or system to address this peculiar problem faced by Railways in project execution, they *inter alia* furnished the following reply:

"In the recent meeting of the Expanded Board for Railways held on 30.12.2011, Secretary, MOSPI personally attended the meeting. While drawing attention of the Board towards the issue of inordinate delays, non-fixing of dates of commissioning of a large number of projects, Secretary (S&PI) had suggested prioritization of Railway Projects and allocating resources in order of priority and then executing the projects of higher priority within a specific time-frame. He also suggested forming of an Inter-Ministerial Group for examining future Railway projects before they are introduced in the Expanded Board for Railways for consideration and also prioritization of ongoing as well as future projects and further mooted the idea of a separate non-lapsable/committed funds for backward/strategic regions, similar to the North-East Region Rail Development Fund (NERRDF). However, the Ministry has not been informed by the Ministry of Railways of the action taken by them in this regard."

VI. TWENTY POINT PROGRAMME (TPP)

6.1 The Twenty Point Programme (TPP) initiated in the year 1975 was restructured in the years 1982, 1986 and 2006. The thrust of the existing Programme brought in and the under-privileged people all over the country. The Programme covers various socio-economic aspects like poverty, employment, education, housing, agriculture, drinking water, afforestation and environment protection 2006 is to eradicate poverty and improve the quality of life of the poor, energy to rural areas, welfare of weaker sections of the society, etc. The restructured Programme is called Twenty Point Programme (TPP) – 2006 and its monitoring mechanism became operational with effect from 1st April, 2007. TPP – 2006 consists of 65 items covered under 20 Points. These items represent various schemes/programmes administered by different Nodal Ministries/Departments concerned.

6.2 The primary responsibility of implementation and monitoring of the programme lies with the agencies entrusted with the execution of the programme, which in this case are the State Governments/UT administrations and the Central Nodal Ministries. The Ministry of Statistics and Programme Implementation monitors the physical performance of programme/schemes covered under TPP-2006 on the basis of performance report received from State/UT Governments and Central Nodal Ministries. All items under TPP-2006 are monitored annually on the basis of information furnished by the concerned Ministries/Departments. However, out of 65 items, 20 items are monitored on monthly basis. The monthly information in respect of 16 items is furnished by various States/UTs and for the remaining 4 items; the information is collected from concerned Central Nodal Ministries. 15 out of these 20 monthly monitored items comprising of 19 monitorable parameters are monitored against set physical targets fixed by the nodal Ministries concerned. As part of monitoring, the Ministry prepares an Annual Review Report covering all items of TPP and Monthly Progress Reports with information for 20 monthly monitored items.

6.3 On being asked the extent of involvement enjoyed by the Ministry in the implementation/execution of programmes/projects under the TPP and the key eleven infrastructure sectors.

> "The Ministry plays a crucial role of coordination between States/UTs and Central Nodal Ministries in implementation of programmes covered under TPP-2006 especially on issues such as setting up of reliable and timely targets for schemes and proper implementation of programmes by States/UTs by way of furnishing timely performance reports, etc.

The Ministry faces the following impediments in monitoring of TPP:

1. Non-receipt of timely targets from Nodal Ministries.
2. Late receipt of performance report from States/UTs and Nodal Ministries for preparation of MPR and Annual Review on TPP-2006."

The list of items covered under (TPP)–2006 as furnished by the ministry are as given below:

Point No.	Item No.	Name of the Points/Items
1	2	3
I.		**Garibi Hatao [Poverty Eradication]**
		Rural Areas
	1.	Employment generation under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).
	2.	Swaranjayanti Gram Swarojgar Yojana.
	3.	Rural Business Hubs in Partnership with Panchayats.
	4.	Self help Groups.
		Urban Areas
	5.	**Swaranjayanti Shehari Rojgar Yojana.**
II.		**Jan Shakti (Power to People)**
	6.	Local Self Government (Panchayati Raj and Urban Local Bodies).
		- Activity Mapping for devolution of functions.
		- Budget Flow of Funds.
		- Assignment of Functionaries.
	7.	Quick and Inexpensive Justice—Gram Nyayalayas and Nyaya Panchayats.
	8.	District Planning Committees.
III.		**Kisan Mitra [Support to Farmers]**
	9.	Water shed development.
	10.	Marketing and infrastructural support to farmers.

1	2	3
	11.	Irrigation facilities (including minor and micro irrigation) for agriculture.
	12.	Credit to farmers.
	13.	Distribution of waste land to the landless.
IV.		**Shramik Kalyan [Labour Welfare]**
	14.	Social Security for Agricultural and Unorganised Labour.
	15.	Minimum Wages Enforcement (including Farm Labour).
	16.	Prevention of Child Labour.
	17.	Welfare of Women Labour.
V.		**Khadya Suraksha [Food Security]**
	18.	Food Security:
		(i) Targeted Public Distribution system.
		(ii) Antyodaya Anna Yojana.
		(iii) Establishing Grain banks in chronically food scarcity areas.
VI.		**Subke Liye Aawas [Housing for All]**
	19.	Rural Housing—Indira Awaas Yojana.
	20.	EWS/LIG Houses in Urban Areas.
VII.		**Shudh Peya Jal [Clean Drinking Water]**
	21.	Rural Areas—National Rural Drinking Water Programme (NRDWP).
	22.	Urban Areas—Accelerated Urban Water Supply Programme.
VIII.		**Jan Jan Ka Swasthya [Health for All]**
	23.	Control and prevention of major diseases:
		(a) HIV/AIDS, (b) TB, (c) Malaria, (d) Leprosy, (e) Blindness.
	24.	National Rural Health Mission.
	25.	Immunisation of Children.
	26.	Sanitation Programme in
		— Rural Areas.
		— Urban areas.

1	2	3
	27.	Institutional Delivery.
	28.	Prevention of Female Foeticide.
	29.	Supplementary nutrition for Mothers and Children.
	30.	Two Child norms.
IX.		**Sabke Liye Shiksha [Education for All]**
	31.	Sarv Shiksha Abhiyan—Compulsory Elementary Education.
	32.	Mid Day Meal Scheme.
X.		**Anusuchit Jaati, Jan Jaati, Alp-sankhyak evam Anya Pichhra Varg Kalyan [Welfare of Scheduled Castes, Scheduled Tribes, Minorities and OBCs]**
	33.	SC Families Assisted.
	34.	Rehabilitation of Scavengers.
	35.	ST Families Assisted.
	36.	Rights of Forest dwellers—Owners of minor forest produce.
	37.	Particularly Vulnerable Tribal Groups (PTGs).
	38.	No alienation of Tribal lands.
	39.	Implementation of Panchayats (Extension to Scheduled Areas) Act [PESA].
	40.	Welfare of Minorities.
	41.	Professional education among all minority communities.
	42.	Reservation of OBCs in
		— Education.
		— Employment.
XI.		**Mahila Kalyan [Women Welfare]**
	43.	Financial Assistance for Women Welfare.
	44.	Improved participation of women in
		(a) Panchayats,
		(b) Municipalities,
		(c) State Legislatures,
		(d) Parliament.

1	2	3
XII.		**Bal Kalyan (Child Welfare)**
	45.	Universalisation of ICDS Scheme.
	46.	Functional Anganwadis.
XIII.		**Yuva Vikas [Youth Development]**
	47.	Sports for all in Rural and Urban Areas.
	48.	Rashtriya Sadbhavana Yojana.
	49.	National Service Scheme.
XIV.		**Basti Sudhar [Improvement of Slums]**
	50.	Number of urban poor families assisted under seven point charter *viz.* land tenure, housing at affordable cost, water, sanitation, health, education and social security.
XV.		**Paryavaran Sanrakshan evam Van Vridhi [Environment Protection and Afforestation]**
	51.	Afforestation
		(a) Area Covered under Plantation on—Public and Forest Lands
		(b) Number of Seedlings planted on—Public and Forest Lands.
	52.	Prevention of pollution of Rivers and water bodies.
	53.	Solid and liquid waste management in
		— Rural Areas.
		— Urban Areas.
XVI.		**Samajik Suraksha [Social Security]**
	54.	Rehabilitation of handicapped and orphans.
	55.	Welfare of the aged.
XVII.		**Grameen Sadak [Rural Roads]**
	56.	Rural Roads—PMGSY.
XVIII.		**Grameen Oorja [Energization of Rural Area]**
	57.	Bio-diesel Production.

1	2	3
	58.	Rajiv Gandhi Grameen Vidyutikaran Yojana
	59.	Renewable Energy
	60.	Energising Pump sets
	61.	Supply of Electricity
	62.	Supply of Kerosene and LPG
XIX.		**Pichhara Kshetra Vikas [Development of Backward Areas]**
	63.	Backward Regions Grants Fund
XX.		**e-Shasan [IT enabled e-Governance]**
	64.	Central and State Governments
	65.	Panchayats and Municipalities

6.4 In reply to specific query regarding how the Ministry review the social sector programmes relating to Health, Sarva Siksha Abhiyan etc. under the Twenty Point Programme, the Ministry *inter alia* submit the following written reply as stated under:

"The main responsibility of implementation and monitoring of the programme lies with the State Governments/UT administrations and the Central Nodal 32 Ministries. The Ministry of Statistics and Programme Implementation monitors the programme/schemes covered under TPP-2006 for physical progress on the basis of performance report received from States/UT Governments and Central Nodal Ministries. All items under TPP-2006 are monitored annually. The 20-points consist of 65 items and 162 parameters. Out of 65 items, 20 items consisting of 34 parameters are monitored on monthly basis, out of which 19 parameters are against targets fixed by the nodal Ministries concerned. Ministry is not mandated to suggest or fix the target or the financial outlay or the detailed component of any scheme being implemented under TPP, nor do we monitor the financial performance of the schemes covered under TPP. However this Ministry does conduct Impact Assessment Study on selected schemes in limited/few States/districts. In so far as Health and Sarva Shiksha Abhiyan are concerned, they are monitored as described below:

Health—Under the Point "Jan Jan Ka Swasthya (Health for All)" the items namely 'Control and Prevention of Major Diseases', 'National Rural Health Mission', 'Immunisation of Children', 'Sanitation Programme in Urban Areas', 'Prevention of Female Foeticide', 'Supplementary Nutrition for Pregnant & Lactating

Mothers and Children' and 'Two Child Norm' are monitored annually. The items namely 'Sanitation Programme in Rural Areas' and 'Institutional Delivery' are monitored monthly against the targetable parameters 'Individual Household latrines constructed' and 'Reported deliveries in institutions' respectively.

Sarva Shiksha Abhiyan—Under the Point "Sabke Liye Shiksha (Education for All)" Sarva Shiksha Abhiyan is monitored annually against the parameters namely 'Appointment of Teachers', 'Construction of School Buildings' and 'Reduction of Drop Out Rates at Primary Level'."

6.5 On the issue it was further added that:

"The programme/schemes covered under Twenty Point Programme are administered and implemented by the Central Nodal Ministries mostly through State Government Departments. Each Nodal Ministry and the State Governments are responsible for taking adequate steps including giving publicity to the programmes for improving the implementation. However, considering the lack of awareness about TPP, this Ministry has recently taken some initiative in giving publicity to the Twenty Point Programme. Two Advertisements were issued during 2011 on the occasion of the birth anniversaries of Father of Nation and of Hon'ble late Prime Minister Smt. Indira Gandhi respectively. Beside that, this Ministry has requested all State Governments also to give wide publicity to the provisions of the Twenty Point Programme."

6.6 Regarding the kind of intervention the Ministry of Statistics and Programme Implementation exercises in improving the functioning of the programme covered under TPP and how often the Ministry approaches the higher authorities in resolving the problems and the issues, the Ministry submitted the following reply and below:

"The role of the Ministry of Statistics and PI is to monitor the physical progress of the schemes covered under TPP and examine variation in figures & also flag any shortfalls in physical achievements requiring corrective action by the Central Nodal Ministries or State Governments who are actually implementing the schemes. TPP Division in the MOSPI prepares an Annual Review Report and also Monthly Progress Reports every month on the implementation of Twenty Point Programme which give physical achievement (against targets or otherwise). Whereas the annual report provides a macro view of the physical progress made under all the 65 items covered under TPP, Monthly Progress Report analyses the physical progress of the 20 schemes/programmes on 34 parameters including 19 parameters which have measurable targets. Copies of the reports showing performance of the schemes

are sent to Central Nodal Ministries and State Governments with a copy to Planning Commission for their consideration & taking corrective action. Beside this, a capsule report highlighting the salient features of each MPR and areas needing corrective attention is prepared and sent to higher authorities in Government and to Planning Commission.

The Ministry also provides a forum for reconciling variations in performance reported by State Governments and Central Ministries, as also to discuss issues related to conflicts between targets set by Central Ministries and State Governments through its annual review meetings of TPP, the minutes of which are sent to all stakeholders."

VII. COLLECTION OF STATISTICS—INDEX OF INDUSTRIAL PRODUCTION (IIP)

7.1 On IIP, it has been stated in the Annual Report of the Ministry of Statistics and Programme Implementation as stated below:

"The newly released series of all India Index of Industrial Production (IIP) with base 2004-05 covers 682 items (clubbed in 399 item groups: Mining-1, Manufacturing – 397, Electricity – 1) comprising 61 from Mining & Quarrying, 620 from Manufacturing and 1 from Electricity Sector having a weight age of 14.16%, 75.53% and 10.32% respectively in the all-India IIP.

The Index of Industrial Production is released every month in the form of Quick Estimates with a time-lag of less than 6 weeks as per the SDDS norms of IMF. The estimates are also simultaneously being released as per Use-based classification *viz.*, Basic goods, Capital Goods, Intermediate Goods, Consumer durables and non-durables. These estimates get revised subsequently on receipt of updated production data from the 16 different source agencies in various Ministries/Departments/Attached/Subordinate Offices."

7.2 In a National Daily captioned "Spooked by dodgy numbers" (The Hindu 16.4.2012) it has been reported that:

"……while releasing the provisional IIP for January, the Ministry of Statistics and Programme Implementation pegged the growth at 6.8 per cent. On Thursday last, however, the Ministry revised the January IIP figure drastically downward to 1.14 percent. This error was attributed to errors in sugar production data in January…….This was not the first time that data error is detected….."

PART II

OBSERVATIONS/RECOMENDATIONS

I. Budgetary Allocation

1. The Committee note with concern that the total actual expenditure without MPLADS, of the Ministry for the year 2009-10 is Rs. 428.18 crore against Budget Estimates (BE) of Rs. 535.27 crore; for the year 2010-11, Rs. 448.74 crore as against BE of Rs. 568.35 crore; and for the year 2011-12, Rs. 616.65 crore as against BE of Rs. 947.36 crore which indicated shortfall of expenditure to the tune of Rs. 107.09 crore, in 2009-10; Rs. 119.61 crore, in 2010-11; and Rs. 330.71 crore, in 2011-12. The Committee are not convinced by the reply of the Ministry wherein it was stated that postponement of field work of 6th Economic Census, delay in submission of implementation reports regarding ISSP Scheme, OECD Conference, shortfall in Major Works pertaining to Capacity Development and delay in completion of first phase of work regarding BSLLD Scheme were responsible for the shortfall in expenditure year after year. The Committee are unhappy to find that repeated recommendations made to the Government for prudent and effective budgetary formulation went unheeded. The Committee are of the view that the reasons adduced by the Ministry cannot justify shortfall in expenditure to the tune of a hundred crore and more, for three years consecutively and therefore, desire the Government to exercise utmost fiscal prudence and discipline so as to make realistic Budget estimates in future.

II. Manpower shortage

2. The Committee note that there is huge shortage of manpower strength in the Subordinate Statistical Service (SSS) with 1200 vacancies resulting in constraints in the implementation of many new initiatives taken up by the Ministry. The issue of manpower shortage both in the Indian Statistical Service (ISS) and the SSS has been one of the major recommendations in the 36th Report of the Committee on the Demands for Grants (2011-12) of the Ministry of Statistics and Programme Implementation. In the aforesaid Report, the Committee had impressed upon the Ministry to take suitable action, within the purview of the Ministry to address the manpower shortage and also to pursue the matter pending with other agency/

Ministry concerned whether be it direct recruitment issue or up-gradation of certain service Grades. The Ministry has submitted that the process of filling up of 65 posts of Senior Time Scale (STS) on promotion is underway. Another 44 posts at the level of Junior Time Scale (JTS) are being filled up through the UPSC. In respect of the Subordinate Statistical Services (SSS), the Committee are informed that recruitment of 500 candidates per year are proposed to be expedited under the Strategic Action Plan till all the vacancies in the cadre are filled up. The Committee regret to note that, as admitted by the Ministry, the acute manpower shortage has affected the quality of the data collected by National Sample Survey Office (NSSO) and the National Academy of Statistical Administration (NSA) besides adversely affecting the functioning of the schemes of the Ministry. Since the shortfall in manpower can adversely affect the authenticity and credibility of the data collected, analysed and disseminated by the Ministry, the Committee, desire the Ministry to pursue the task of addressing its manpower shortage with priority and due urgency.

III. National Statistical Commission

3. The Committee understand that the appointment of a part-time Chairman and four part-time Members to constitute the National Statistical Commission (NSC) apart from the Secretary, Planning Commission as an ex-officio member and the Chief Statistician of India as Secretary to the Commission, was made on the basis of the recommendation of Rangarajan Commission. NSC which is yet to get a statutory status has now taken over the role of the Governing Council of NSSO. As a result, a host of tasks have been pending with the NSC including formulation of standards in respect of methodology for collection of core statistics and taking up the role of the Governing Council of the NSSO, implementation of the recommendations of the Rangaranjan Committee etc. In view of the tasks and responsibilities the NSC has to shoulder, the Committee are of the opinion that the NSC with part-time Chairman and part-time Members may not be able to deliver the desired outcome in the long run. With a view to providing the NSC with firmer footing to enable it to carry out its responsibility without any hindrance, the Committee would recommend the Ministry to review the decision to have part-time Chairman and Part-time Members for the NSC. They should also take appropriate measures for implementation of the Committee's earlier recommendation for conferring statutory status upon NSC without any further delay.

IV. CSO - Consumer Price Index

4. The Standing Committee on Finance, in their 4th, 6th and 14th Report (15th Lok Sabha) had emphasized expeditious compilation of new series of nation wide CPI for urban and rural areas as a prelude to National Consumer Price Index. The Committee are happy to note that the CSO has, accordingly brought out annual inflation rates based on CPI (Rural/Urban/Combined) for January 2012 on 21.2.2012 and that the CPI inflation as measured by the new series with base year 2010 has since been utilised by the Reserve Bank of India. The Committee expect the new CPI basket to truly reflect the prevailing inflationary trends particularly in food items and would be calabrated suitably, as required.

V. Project – Time and Cost overruns

5. The Committee note that the Implementation Wing of the Ministry of Statistics and Programme Implementation is monitoring 11 key infrastructure sectors as well as Central Sector Projects in 16 Sectors costing more than Rs. 150 crore. From the reply furnished by the Ministry, the Committee note that out of 561 projects on the monitor of the Ministry of Statistics and Programme Implementation, 258 projects *i.e.* 45.97 % have overruns in respect of either time or cost or both. The Committee further note that two organizations, namely Railways and NHAI have been particularly lax in furnishing timely information on projects to Ministry of Statistics and Programme Implementation. While deprecating these two organizations for their non-compliance, the Committee would like the Ministry of Statistics and Programme Implementation to take up this matter for intervention at the highest level. The Ministry of Statistics and Programme Implementation should devise better ways of coordinating and monitoring with line Ministries for timely reporting of project delays including time/cost overruns.

VI. Twenty Point Programme (TPP)

6. The Twenty Point Programme (TPP) initiated in the year 1975 and restructured in the year 1982, 1986 and 2006, is a programme covering various socio-economic aspects like poverty, employment, education, housing, agriculture, drinking water, etc. It was submitted that the role of the Ministry of Statistics and Programme Implementation is to monitor the physical progress of the schemes covered under TPP and examine variation in figures and also flag any shortfalls in physical achievements requiring corrective action by the Central Nodal Ministries or State Governments who are

actually implementing the schemes. The Committee also note that the entire socio-economic schemes/programmes of the Government, 65 in all are under the purview of the TPP. The Committee are of the view that to effectively monitor the programmes/schemes under TPP, the Ministry should be provided a more robust infrastructure, which is presently lacking with the Ministry.

VII. Collection of Statistics – Index of Industrial Production (IIP)

7. Steps have been taken from time to time to improve the collection of vital economic statistics in the country. However, the Committee are constrained to note that even today this leaves much to be desired. A recent instance was the IIP data for January 2012 which was revised from 6.8 percent to 1.1 per cent. This raises serious questions about the reliability of the data offered by the Ministry. A similar instance has occurred in India's trade data when the April–October, 2011 export figures were reduced by $ 8.8 billion. The Committee are seriously concerned at this flaw which projects not only the Government but the entire country in a poor light. The Committee would like an independent inquiry to be conducted in data errors of such magnitude and the report made available to the Committee within three months.

NEW DELHI;
20 *April,* 2012
31 *Chaitra,* 1934 *(Saka)*

YASHWANT SINHA,
Chairman,
Standing Committee on Finance.

MINUTES OF THE SIXTEENTH SITTING OF THE STANDING COMMITTEE ON FINANCE (2011-12)

The Committee sat on Wednesday, the 28th March, 2012 from 1500 hrs. to 1915 hrs.

PRESENT

Shri Yashwant Sinha—*Chairman*

MEMBERS

Lok Sabha

2. Shri Shivkumar Udasi
3. Shri Harishchandra Deoram Chavan
4. Shri Bhakta Charan Das
5. Shri Nishikant Dubey
6. Shri Bhartruhari Mahtab
7. Shri Prem Das Rai
8. Dr. Kavuru Sambasiva Rao
9. Shri Rayapati S. Rao
10. Shri Magunta Sreenivasulu Reddy
11. Shri R. Thamaraiselvan
12. Dr. M. Thambidurai

Rajya Sabha

13. Shri Piyush Goyal
14. Shri Mahendra Mohan
15. Dr. Mahendra Prasad

SECRETARIAT

1. Shri A.K. Singh	—	*Joint Secretary*
2. Shri R.K. Jain	—	*Director*
3. Shri Ramkumar Suryanarayanan	—	*Deputy Secretary*
4. Smt. Meenakshi Sharma	—	*Deputy Secretary*
5. Shri Kulmohan Singh Arora	—	*Under Secretary*

Part I

(1500 hrs. to 1700 hrs.)

WITNESSES

2. *** *** ***
*** *** ***

The witnesses then withdrew.

Part II

(1700 hrs. to 1745 hrs.)

WITNESSES

MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION

1. Dr. T.C.A. Anant, Chief Statistician of India and Secretary (S&PI)
2. Shri Pankaj Jain, Additional Secretary (S&PI)
3. Shri S.K. Das, DG, CSO
4. Shri J. Dash, DG & CEO, NSSO
5. Shri Pradeep Kumar Pujari, AS & FA
6. Shri Arvind Kumar, Joint Secretary, S&PI
7. Dr. Bimal K. Roy, Director, ISI, Kolkata
8. Shri Vijay Kumar, ADG, Trg. Divn.
9. Smt. S. Jeyalakshmi, ADG, SSD
10. Shri Ashish Kumar, ADG, NAD
11. Shri A.K. Bhatia, ADG, CAP
12. Shri A.K. Mehra, ADG, DPD
13. Shri V.K. Arora, ADG, SDRD
14. Shri V.K. Bajaj, DDG, I/C, FOD
15. Shri R.K. Khurana, DDG
16. Shri K.K. Lamba, DDG
17. Shri G.M. Boopathy, DDG
18. Shri S.N. Singh, DDG, CPD
19. Shri M.V.S. Ranganathan, DDG, NSC
20. Shri P.C. Mohanan, DDG, Computer Centre

21. Dr. Davendra Verma, DDG, Programme Implementation Wing

3. The Committee then took oral evidence of the representatives of the Ministry of Statistics and Programme Implementation in connection with examination of Demands for Grants (2012-13). The major issues discussed included underutilisation of budgetary allocations, time and cost overruns due to delay in project execution, issues pertaining to National Statistical Commission (NSC), implementaion and monitoring of Twenty Points Programme etc. The Chairman directed the representatives of Ministry of Statistics and Programme Implementation to furnish replies to the points raised by the Members during the discussion within a week.

The witnesses then withdrew.

Part III

(1745 hrs. to 1915 hrs.)

WITNESSES

4. *** *** ***
*** *** ***

A verbatim record of proceedings was kept.

The witnesses then withdrew.

The Committee then adjourned at 1915 hours.

MINUTES OF THE EIGHTEENTH SITTING OF THE STANDING COMMITTEE ON FINANCE (2011-12)

The Committee sat on Friday, the 20th April, 2012 from 1130 hrs. to 1400 hrs.

PRESENT

Shri Yashwant Sinha—*Chairman*

MEMBERS

Lok Sabha

2. Shri Gurudas Dasgupta
3. Shri Nishikant Dubey
4. Shri Chandrakant Khaire
5. Dr. Kavuru Sambasiva Rao
6. Shri Rayapati S. Rao
7. Shri Sarvey Sathyanarayana
8. Shri Yashvir Singh
9. Dr. M. Thambidurai

Rajya Sabha

10. Shri Satish Chandra Misra
11. Dr. K.V.P. Ramachandra Rao

SECRETARIAT

1. Shri A.K. Singh — *Joint Secretary*
2. Shri Ramkumar Suryanarayanan — *Deputy Secretary*
3. Smt. Meenakshi Sharma — *Deputy Secretary*
4. Shri Kulmohan Singh Arora — *Under Secretary*

Part I

(1130 hrs. to 1300 hrs.)

WITNESSES

2. *** *** ***
*** *** ***

A verbatim record of proceedings was kept.

The witnesses then withdrew.

Part II

(1300 hrs. to 1400 hrs.)

3. The Committee took up following draft Reports for consideration and adoption:—

(i) Draft Report on Demands for Grants (2012-13) of the Ministry of Finance (Departments of Economic Affairs, Expenditure, Financial Services and Disinvestment);

(ii) Draft Report on Demands for Grants (2012-13) of the Ministry of Finance (Department of Revenue);

(iii) Draft Report on Demands for Grants (2012-13) of the Ministry of Planning;

(iv) Draft Report on Demands for Grants (2012-13) of the Ministry of Statistics; and Programme Implementation; and

(v) Draft Report on Demands for Grants (2012-13) of the Ministry of Corporate Affairs.

4. The Committee adopted the draft reports at sl. nos. (iv) and (v) without any modification and those at sl. nos. (i), (ii) and (iii) with minor modifications. The Committee authorised the Chairman to finalise the Reports in the light of the modifications suggested and present these Reports to Parliament.

The Committee then adjourned.